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SIPDIS

SENSITIVE

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TAGS: PE PREL SNAR UN

SUBJECT: UNODC ANDEAN COCA SURVEYS FOR 2004 SHOW EXPANSION
IN PERU

¶11. (SBU) Summary: UNODC's 2004 coca survey found a 14 percent increase in coca cultivation over the previous year, totalling 50,300 hectares. Most of this increase occurred in the Upper Huallaga and San Gaban areas. The UNODC's findings match Embassy's observations; our current eradication schedule is centered on these regions. End Summary.

¶12. (U) The "UNODC Report on Andean Coca Surveys for 2004," presented in Brussels June 15 with DEVIDA Executive President Nils Ericsson in attendance, reported a double-digit year-on-year increase of coca cultivation in Peru over 2003. On the basis of UNODC figures available locally, this represents the biggest increase in the past 10 years. Compared to 2003, UNODC calculates the total area under coca cultivation rose by 14 percent to 50,300 hectares (not included in the figures are plantings under a year old). The Peru survey estimates potential cocaine production could jump by 23 percent to 190 metric tons. According to the survey, while 10,257 hectares of coca were eradicated in 2004, cultivation of coca increased by 6,100 hectares to the 1998 level, when coca cultivation stood at 51,000 hectares. The UNODC attributes these growth statistics to a near tripling of the price of a kilo of coca leaf since its historic low in 1996, from 1 USD to 2.80 USD in 2004. Another stated reason is the increased yield afforded by technical improvements given to the growers by narco-traffickers

¶13. (U) The UNODC Survey concludes that 90 percent of the 2004 increase in cultivation (5,500 hectares) happened in two areas that up till now have had little or no government presence - the Upper Huallaga and San Gaban regions. Upper Huallaga showed an increase of 24 percent to 16,900 hectares (Monzon/Pizana/Yanajanca areas). San Gaban increased 475 percent from 470 to 2,700 hectares (measured before CORAH eradicated 1,500 hectares in late 2003). The annual yield per field is highest in the Apurimac-Ene valleys (VRAE), where cocaleros harvested 3,627 kilos of coca leaf per year per hectare, followed by the Upper Huallaga at 2,988 kilos per hectare and La Convencion-Lares at 1,457 kilos per hectare. These three valleys account for 88 percent of the total increase in cultivation from 2003-2004. (Note: The UN yield figures are parallel to but slightly higher than the recent DEA Breakthrough yield figures. End Note).

¶14. (SBU) Lima's UNODC Representative Aldo Lale-Diaz told NAS Director he wanted to stay clear of possible controversies and focus media attention on two main points. First, that Peru has to stop seeing the illicit coca-cocaine industry mainly as a foreign problem: Peru will bear the brunt of the upsurge in local drug production and trafficking in terms of addiction, corruption and increased resources to finance terrorism. Putting in a plug for Alternative Development, Lale noted that total surface has remained relatively stable in coca areas that have access to AD.

¶15. (U) The Press reflected these UN positions, but couched their reports in terms such as "worrisome," "attack on the family of nations" and "regression." An article in daily "El Comercio" points out that coca is now grown in half the departments of Peru.

¶16. (SBU) Comment: For Embassy Lima, there are no surprises in the 2004 UNODC figures. We have been aware of the increase of coca cultivation in the Upper Huallaga and San Gaban areas, both of which we are targeting for NAS-supported CORAH eradication in 2005. CNC has included these areas in its measurement plan for next year. We alerted the UN to some of the areas such as Yanajanca and San Gaban (the pictures they have of Pizana and Yanajanca are from NAS helicopters).

¶17. (SBU) Comment continued: CORAH has not tried to eradicate in the Monzon - 67 percent of the Huallaga, that UNODC shows increased by 6 percent (mostly in increased size of fields) or the VRAE, which remained stable but is being "technified" with fertilizer use and increased density. Forced eradication would be too socially conflictive and politically unsustainable in the run-up to elections. For now, we will have to continue containing the coca "source zones" while we stamp out expansion of coca in new areas. Eventually, however, the hard-core Monzon and VRAE will have

to be tackled to make a dent in Peru's burgeoning coca crop.
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